



Community Consolidated School District 46

Serving the communities of Grayslake, Hainesville, Lake Villa, Round Lake, Round Lake Beach, Round Lake Park, and Third Lake

Board of Education of Community Consolidated School District 46

Most Recent Offers to the
Grayslake Federation of Teachers
and
Grayslake PSRP
&

Cost Summaries

Submitted to the Illinois Educational Labor Relations Board

October 16, 2019

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Introduction

The Board of Education commenced negotiations with teacher and PSRP (support staff) unions in January 2019 related to various economic terms of their respective contracts for the 2019-2020 and 2020-2021 contract years. The Board did not seek to change any aspects of the health insurance benefits, flex payments to eligible employees, or retirement incentives.

At this point, the only term of the contracts on which the parties have not reached an agreement is the salary/wage increase for each of the last two years.

Throughout the negotiations, the Board of Education has sought to reach a fair and fiscally responsible agreement. The amount of new revenue available to the School District in each of the next school years must be allocated in a responsible way that is fair to the interests of the teachers, the students, and the community. To that end, the Board has evaluated every proposal throughout this process in terms of whether it is fair, comparable and balanced.

The Board strongly believes in the hard work of its teachers and support staff and over the past six years has provided salary and wage increases that were higher than the increase in the cost of living. The Board's current proposal continues that trend, while enabling it to also allocate a portion of new revenue to paying for new and additional services, programs, and resources to its students in order to promote their academic and social/emotional growth. The Board's current offer allocates every new property tax levy dollar received to Union salaries.

Negotiations History

October 22, 2019

Administration met with both bargaining units to share District financial information in preparation for negotiations.

January 23, 2019

Union was ready to commence negotiations and delivered its opening proposal.

February 25, 2019

Board made a counter-offer.

February 28, 2019

Board President & Vice President met with union leaders to discuss financial position, general philosophies, EBF funding and requests for additional data.

April 1, 2019

Board President & Vice President met with unions to discuss philosophies and positions. More information requested by unions. Discussed non-monetary changes to help with workloads and outcomes.

April 17, 2019

Board President and Vice President met with union leaders to discuss financial position and the use of EBF funding priorities and beliefs.

May 29, 2019

3 months later - The Union made its second proposal.

Negotiations History (cont)

June 17, 2019	Both Parties exchanged proposals.
July 10, 2019	Both Parties exchanged proposals.
July 16, 2019	Board made a proposal.
July 29, 2019	Mediation - Union made a proposal
August 12, 2019	Mediation - Both Parties exchanged proposals
September 11, 2019	Mediation – Board made a proposal
October 1, 2019	Mediation – Union did not offer a proposal
October 28, 2019	Next Mediation Session

Proposals

BOARD PROPOSAL			UNION PROPOSAL		
<i>Union</i>	<i>Proposal</i>	<i>Increased Cost</i>	<i>Union</i>	<i>Proposal</i>	<i>Increased Cost</i>
Teachers	Tier 1*: 3.2% Tier 2*: 3.0%	2019-20 School Year - \$565,340 2020-21 School Year - \$580,566	Teachers	Tier 1: 4.6% Tier 2: 4.1%	2019-20 School Year - \$810,070 2020-21 School Year - \$846,598
Support Staff	3.2%	2019-20 School Year - \$178,547 2020-21 School Year - \$184,261	Support Staff	4.6%	2019-20 School Year - \$250,378 2020-21 School Year - \$261,895
TOTAL		\$2,252,602 Over 2 Years**	TOTAL		\$3,229,389 Over 2 Years**

*Tier 1 teachers are teachers that have 1 to 18 years of experience. Tier 2 teachers are teachers that have 19-32 years of experience.

**The total cost of a proposal is calculated by taking the cost of the first year of the agreement, and adding it to the sum of the first and second years. The reason for this is that any cost associated with the first year of the proposal becomes the base on which the next year's raise is added. See formula below:

Total Cost = Cost of the First Year + (Cost of the First Year + Cost of the Second Year)

Financial Impact of Both Proposals

Assumptions

1. Focus is on the Education Fund, where 70% of district accounting activity occurs
2. Revenue -
 - a. Levy is assumed to increase at a rate of 2.2%, which correlates to CPI and new property
 - b. Increased Additional Tier Funding in Evidence Based Funding from the State is expected to decline in future years as the District catches up in adequacy
3. Expenditures -
 - a. Other expenditures are assumed to increase at CPI, or the typical, historical increases the District has seen in areas like Special Education
 - b. This contract only goes through "FY21". Future salaries are unknown. For the purposes of this chart, they are assumed to be at 3.0%

ED - REVENUE	FY19	FY20	FY21	FY22	FY23	FY24
LEVY	21,935,338	22,578,418	23,106,709	23,614,378	24,133,094	24,663,062
OTHER LOCAL	1,246,150	1,317,685	1,328,444	1,340,522	1,353,868	1,368,430
EBF	12,590,207	13,534,029	13,784,029	14,034,029	14,284,029	14,534,029
OTHER STATE	545,117	631,559	425,276	433,848	442,674	451,743
FEDERAL	1,776,802	1,850,086	1,993,219	2,071,177	2,156,268	2,249,322
TOTAL REVENUE	38,093,614	39,911,777	40,637,677	41,493,954	42,369,933	43,266,586
BOARD PROPOSAL - Teachers - 3.20 / 3.00% Increase Support Staff - 3.2% Increase						
ED - EXPENDITURES	FY19	FY20	FY21	FY22	FY23	FY24
SALARIES	27,402,941	28,630,333	29,489,243	30,373,920	31,285,138	32,223,692
BENEFITS	4,645,523	4,820,949	4,993,539	5,172,308	5,357,476	5,549,274
Other Goods & Services	5,925,500	6,654,355	6,507,124	6,732,963	6,970,464	7,220,383
TOTAL EXPENDITURES	37,973,964	40,105,637	40,989,906	42,279,191	43,613,078	44,993,349
SURPLUS/DEFICIT	119,650	(193,860)	(352,229)	(785,237)	(1,243,145)	(1,726,763)
ESTIMATED FUND BALANCE	10,580,819	10,386,959	10,034,729	9,249,492	8,006,347	6,279,584
FUND BALANCE/EXPENSE	27.86%	25.90%	24.48%	21.88%	18.36%	13.96%
UNION PROPOSAL - Teachers - 4.60 / 4.10% Increase Support Staff - 4.6% Increase						
ED - EXPENDITURES	FY19	FY20	FY21	FY22	FY23	FY24
SALARIES	27,402,941	28,946,894	30,191,610	31,097,359	32,030,280	32,991,188
BENEFITS	4,645,523	4,884,261	5,059,118	5,240,234	5,427,834	5,622,151
Other Goods & Services	5,925,500	6,654,355	6,507,124	6,732,963	6,970,464	7,220,383
TOTAL EXPENDITURES	37,973,964	40,485,510	41,757,852	43,070,556	44,428,578	45,833,722
SURPLUS/DEFICIT	119,650	(573,733)	(1,120,175)	(1,576,602)	(2,058,644)	(2,567,136)
ESTIMATED FUND BALANCE	10,580,819	10,007,086	8,886,910	7,310,308	5,251,664	2,684,528
FUND BALANCE/EXPENSE	27.86%	24.72%	21.28%	16.97%	11.82%	5.86%

Fund Balance

It is noted that the Education Fund Balance increased in the 2017-18 school year. However, this was a one-time increase due to:

- **Evidence Based Funding from the State.** The State regularly delays notifying districts of the amount of additional money allocated to them. Based on State calculations, the District has 64% of the funding necessary to provide an adequate education. Therefore, the District has received additional funding to help address the areas that the State believes need additional investment. Those opportunities are defined as part of the 27 elements that make up an adequate education for students. As the District receives this funding, its funding gap decreases, which decreases the additional funding from the State.

Because of the delay in notification, the District frequently must make decisions on allocating funds in the middle of a budget year. Those decisions are wholly tied to the areas where the District is marked as needing additional investment by the State. This process of allocating funds to the areas in need of investment takes time, and often expenses are not realized fully within the same year in which the money is initially received.

- **Changes in Accounting.** Every year, the District is required by law to have independent, external auditors review financial information and fiscal policies. The auditors changed how the District accounts for salaries in summer payrolls. These changes resulted in a one time balance increase in the in the 2017-2018 school year, but those funds were then used to pay staff members in July and August.
- **State Payments.** With the change in the State funding formula, the State committed to catching up in its backlog of payments to districts. This meant that in Fiscal Year 2018, the District received funds it was due from previous fiscal years.
- **Early Taxes.** In Fiscal Year 2018, the Lake County Treasurer's Office provided residents the opportunity to pay their taxes earlier than normal. This helped residents take advantage of the tax credits they received on property taxes anticipated to be reduced in new national tax law. This prepayment had the effect of infusing Districts with revenue earlier than usual.

Board Proposal Cost vs. Tax Levy Revenue

FISCAL YEAR 2019-2020	Board Proposal	Unions' Proposal
New Levy Revenue	\$742,712	\$742,712
Proposal Cost	\$743,887	\$1,060,448
Difference	(\$1,175)	(\$317,736)

FISCAL YEAR 2020-2021	Board Proposal	Unions' Proposal
New Levy Revenue (Estimated)	\$634,862	\$634,862
Proposal Cost	\$764,827	\$1,108,493
Difference	(\$129,965)	(\$473,631)

Tentative Agreements

The District is optimistic that an agreement can be reached that is fair, comparable, and balanced. Already, both sides have reached a tentative agreement on the items listed below. We are proud of the work both sides have done to reach agreements on these important issues.

<i>Tentative Agreements</i>			
<i>Contract Item</i>	<i>Applies to:</i>	<i>Agreement</i>	<i>Increase</i>
Extra-Curricular Pay	<i>Both Unions</i>	\$18.14/hour	3.0%
Summer School Pay	<i>Both Unions</i>	\$31.42/hour Summer Coordinator - \$8,359.49	3.0%
Tuition Reimbursement	<i>Teachers</i>	\$2,266 Per Teacher Allocation, with a cap of \$110,000	3.0%
	<i>PSRP</i>	MA Courses - \$1,662 BA Courses - \$831 AD Courses - \$416 OT/OTA Cont. Ed. - \$849	3.0%
Internal Substitution Pay	<i>Both Unions</i>	\$21.86 per 50-minute period	3.0%
Starting Pay	<i>Teachers</i>	2019-20: \$37,607, 2020-21: \$38,547	2.5%